

**EXECUTIVE SUMMARY
OF
PRINCIPAL TERMS
OF
LAND DISPOSITION AGREEMENT
WITH
STRUEVER FIDELCO CAPPELLI, LLC
Dated: April 7, 2009**

1. **Developer Designation and General Background.** Efforts to plan for the redevelopment of the Getty Square and the Chicken Island areas of the City of Yonkers date back to the 1970s and have been guided by the Getty Square Urban Renewal Plan and the Modified Urban Renewal Plan for N.D.P. Area 1 and N.D.P. Area 2 dated December, 1998, and last amended in October, 2004 (the "Riverview Urban Renewal Plan"). Efforts to plan for the redevelopment of the waterfront date back to the 1980s and have been guided by the Waterfront Master Plan. After a competitive process to identify interested developers, and over two years of negotiations, in May 2006 Struever Fidelco Cappelli LLC (the "Company") was designated the exclusive and master developer under the Master Developer Designation Agreement ("MDDA") for ten (10) potential redevelopment projects including the "Gateway District Project" and the "Palisades Point Project". The MDDA required the parties to pursue a "Project Specific Agreement" in the form of a "Land Disposition Agreement" which is an agreement commonly used with Urban Renewal projects to outline the terms and conditions under which City owned or controlled land will be made available to the project. Under the Land Disposition Agreement ("LDA") for the SFC Yonkers Project, the land dispositions and related actions for the Gateway District Project and the Palisades Point Project are outlined. The areas involved are referred to in the LDA as the "River Park Center" "Cacace Center" and "Palisades Point". Once the LDA is executed, the MDDA terminates with rights of the Company to pursue any additional projects outlined in Section 13.6 of the LDA.

After a multi-year SEQRA review process, the maximum development has been outlined with public input. The maximum development criteria are relevant for analyzing the project impacts and for review of land use and zoning changes. However, when negotiating the LDA in this matter, to address City concerns, the LDA is drafted to require certain key elements be completed in all events (defined in the LDA as the "Minimum Development") such that the focus of the LDA centers on Minimum Development not maximum development. To be clear, the Company will be simultaneously pursuing all planning and zoning reviews for the maximum development whereas the LDA discussion will involve Minimum Development.

2. **The Projects.**

A. **River Park Center.** The mixed-use commercial, recreational and residential project described in the Statement of Environmental Findings dated November 5, 2008 as "River Park Center" comprising 455,000 square feet of retail space, 80,000

square feet of restaurant space, 80,000 square feet of movie theatre space, 100,000 square feet of office space (collectively the "RFC Commercial Building"); a 6,500 seat ballpark on-top of RFC Commercial Building subject to the receipt of public funding, 2 residential towers with a total of 950 units, [2,075] public parking spaces for RFC Commercial Building, parking spaces for residential towers, daylighting; the Government Center comprising 20,000 square feet of retail/restaurant space and 21,000 square feet for relocated business; the Palisade Avenue Office building containing 225,000 square feet of office space and 10,000 square feet of retail space.

The Minimum Development associated with River Park Center includes the Riverwalk, Daylighting, a minimum of 300,000 sq. ft. of commercial space and the RPC Public Parking Facility at the River Park Center Site with structural supports (to include steel and façade but not grass or seats) of the Ballpark at an estimated cost of \$15,000,000 of the estimated \$45mm cost for the Ballpark. If market rate residential units are constructed as part of Phase 1 of the Project, then the Company shall be required as part of the Minimum Development to satisfy the applicable portion of the Affordable Housing Commitment attributable to those units and certificates of occupancy for the market-rate units will not be issued unless certificates of occupancy have been issued for such number of affordable units as is equal in proportion to the proportion of the total number of market rate units for which certificates of occupancy are then sought.

B. Cacace Center. The mixed-use development described in the Statement of Environmental Findings dated November 5, 2008 as the Cacace Center comprising 155,000 square feet of office space of which 100,000 shall be City owned or leased under a financable lease; a 150 room hotel; 1,349 public parking spaces; public pedestrian way along Nepperhan Avenue; and the Replacement Fire Headquarters. The Replacement Fire Headquarters being approximately 50,000 square feet and containing at least a 65' site apron and 6-bay floor and which shall be completed within 15 months from construction commencement.

The Minimum Development associated with Cacace Center includes the Replacement Fire Headquarters, Temporary Fire Headquarters and the Cacace Center Public Parking Facility. Additionally, when the CC Commercial Building (and the City Office Condominium Unit in that building) is ready for occupancy, the Company shall acquire 87 Nepperhan (the "Health Center Building") and adjoining Government Center Garage.

C. Palisades Point. A mixed-use development described in the Statement of Environmental Findings dated November 5, 2008 as Palisades Point comprising two twenty five story towers and a five story wing containing 436 residential units and 8,700 square feet of retail or office space. In addition, Palisades Point would include 670 parking spaces as well as landscaped open space which would be privately owned but publicly accessible, a sculpture park, and a waterfront promenade. When the Scrimshaw House condominiums were developed, CDA agreed to provide 184 parking spaces for the Scrimshaw House residents under a Scrimshaw House Parking Lease. This

obligation is a burden on Parcels H & I and the cost to provide the 184 spaces exceeds the fair market value of Parcels H & I.

The Minimum Development associated with Palisades Point involves the Waterfront Public Improvements and the maintenance at Palisades Point of surface parking that complies with, and is subject to, the Scrimshaw House Parking Lease.

D. Daylighting. A \$24mm grant was obtained by the City to acquire the approximately 13 private parcels necessary to “daylight” the Saw Mill River at the River Park Center site (referred to in the LDA as the “NMSDC Parcels”). In order to openly account for all state grant funds expended, the City formed the New Main Street Development Corporation (“NMSDC”). Counsel to NMSDC has reviewed the title information related to the NMSDC Parcels and has attempted to establish terms of sale with several property owners. NMSDC staff solicited bids for a property manager and a relocation specialist in anticipation of taking title to the NMSDC Parcels. A meeting of the NMSDC board will be convened in the coming weeks to address the proposed form of acquisition, as contemplated by the LDA, and to choose the property manager and relocation company to provide services to NMSDC. Additionally, \$6mm of the ESDC Grant to the City will be used for Daylighting at River Park Center with the remaining balance used for needs at Larkin.

E. Affordable Housing. The Company shall provide, or cause the provision of, affordable housing units equal to fourteen percent (14%) of the total number of market rate housing units constructed on a proportionate basis as market rate units are developed: 3% of the units shall be constructed at the River Park Center Site and be restricted to income of 80% to 120% of AMI; 3% of the units shall be new or rehabilitated units constructed off the Project Site but within the downtown areas of Ashburton Avenue, Warburton Avenue, Ravine Avenue, School Street, Nodine Hill, and Woodworth and be restricted to 30% - 80% AMI; and the remaining 8% shall be any combination of new or rehabilitated units in the downtown or payment of a fee in lieu equal to \$61,000 per unit, as the Company elects. AMI means the Area Median Income for the Westchester County, New York MSA as adjusted from time to time. For fiscal year 2007, AMI was \$95,900 for a family of four adjusted for family size pursuant to Section 142(d) of the Internal Revenue Code. The affordable units constructed on site at River Park Center as part of the Project shall be sized comparable to the market rate units and have amenities comparable to the market rate units.

3. **Assemblage of Parcels, purchase price.** The municipal entities will transfer parcels to the Yonkers Community Development Agency (the “CDA”). As contemplated by the MDDA, the CDA will convey the City owned parcels to the Company at the price of \$1,200,000 per acre. The parcels acquired by NMSDC will be paid for utilizing a grant from the State of New York. As necessary, the NMSDC parcels and any other necessary parcels may be acquired by the City of Yonkers Industrial Development Agency (“YIDA”) pursuant to eminent domain. Non-City parcels shall be transferred to the Company at cost.

4. **Development Leases and Financing Leases.** The CDA will lease the “Disposition Parcels” (all relevant property other than the areas to be developed with the Riverwalk/Daylighting, Public Parking Facilities and the Retained Units where City facilities will be constructed), to the YIDA under a Development Lease similar to that which was used for Collins I and II and other Urban Renewal projects. YIDA will then sublease those properties to the Company under a Financing Lease similar to that used for other Urban Renewal projects. The Development Lease contains commitments consistent with the LDA and Urban Renewal Plan whereas the Financing Lease is structured to provide YIDA benefits of sales tax exemptions, mortgage tax exemptions and bonding. Bonding may be in the form of Empowerment Zone Bonds, tax exempt revenue bonds, Build America Bonds and/or Economic Recovery Development Bonds. The properties to be retained by the City will be transferred to a YIDA Affiliate and the YIDA Affiliate will designate the Company as agent to construct the City improvements under the terms of a PLA. YIDA is not authorized to provide financial assistance for the portions of the Project to be leased or conveyed to the City. For this reason Yonkers Economic Development Corporation (“YIDA Affiliate”) was formed and obtained state and federal clearances to provide sales and mortgage tax exemptions for those portions of the Project that the YIDA could not participate in. The organizational meeting of the YIDA Affiliate will be held in the coming weeks in open session. The Development Lease and Financing Lease terms will be 49 years.

5. **Infrastructure Costs.** Infrastructure costs have been estimated by the City retained consultant at approximately \$212,000,000 have been identified, include but are not limited to, roads, sanitary sewers, domestic and fire service water facilities, stormwater drainage facilities, public parking facilities, and gas, electric and other utilities (“Infrastructure”). The Infrastructure will be funded with increment financing bonds issued by YIDA in a net aggregate amount of \$160,000,000 plus subordinate bonds. Debt service will be paid out of net parking revenues, pledge of full tax agreement (“FTA”) payments of up to 75% of the increment in the Increment District. Please see separate letter from Harris Beach to the Mayor explaining the increment financing terms and history of the development of the structure. The County share of the Increment is approximately 15%. The County may, at its election, fund certain improvements using general obligation bonds. This is not an option for the City. The Company will provide security for the debt service payments if net parking revenues and FTA payments are insufficient.

6. **Time to Complete Project.** All phases of the Project will be constructed in accordance with the SEQRA Findings, site plan approval and other City approvals. Construction will be phased. Subject to obtaining all necessary financing, first phase of the Project (which must include at least the Minimum Development), will commence within 90 days of the Department of Housing and Buildings issuance of a building permit and will be completed within 36 months of construction commencement (subject to “Unavoidable Delays”). The Company has submitted plans to the various City agencies for review. Under the LDA, the parties intend to enter into the Development Leases and Financing Leases within 180 days of the approval and signing of the LDA by all City parties. The Company would have 12 months from the signing of the LDA (could be

extended to 24 months based on financial market conditions) to close on all necessary financing for the Minimum Development.

7. Other Commitments. The Company will reimburse various City costs in the amount of \$988,212.23 at the time of Transfer. The Company shall deposit \$500,000 with the Yonkers Downtown Waterfront Development Corporation for business retention and relocation efforts. The Company will develop the Old Library to provide space to retain downtown merchants. The Company shall fund 1/3rd the \$1,800,000 cost of new fire equipment acquired as part of the replacement fire headquarters. The City needs to reinvest \$4.2mm of its 108 Loan Fund to avoid loss of revenues. The City will loan said amount to an entity affiliated with the Company to provided needed capital to allow the planning process to proceed in the coming months.

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9. Documents for Council Review.

At the Mayor's briefing of the Council on April 7, 2009 this Executive Summary and related power point were delivered with drafts of the following documents for consideration:

LDA marked "HB Draft 1 for City Council distribution"

FTA

Harris Beach letter to Mayor Amicone describing FTA versus TIF

AKRF Table describing findings to be included in LDA and cross references